

Kentucky Agri-News

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Featuring: **► Agricultural Prices** **► Hogs & Pigs** **► Cattle on Feed** **► Milk Production**
► Slaughter **► Cold Storage** **► Small Grains** **► Grain Stocks**

KENTUCKY LIVESTOCK AND GRAIN PRICES BOTH RETREAT

Prices received by **Kentucky** farmers were lower for mid-September for all commodities with the exception of sows that increased in price.

Cattle prices were lower for steers and heifers, cows and calves. **Steers and heifers** 500 lbs. and over averaged \$95.00 per cwt. (hundredweight) for mid-month. This was down \$4.00 from August and \$7.00 from September 2007. The mid-September price would be the lowest in five months. **Beef cow** price for mid-September was \$54.00 per cwt., down \$1.00 from the previous month while up \$8.00 from a year earlier. The mid-month price would be the lowest in four months. **Calves** less than 500 lbs. averaged \$100.00 per cwt. This was down \$3.00 from the August price and \$12.00 from September 2007. The mid-month price would be the lowest in eight months.

Hog prices were also lower. **Barrows and gilts** for mid-September were \$51.00 per cwt. This was down \$10.00 from the previous month while up \$8.00 from September 2007. This would be the lowest price in five months. **Sows** at mid-month averaged \$50.00 per cwt., up \$10.00 from the August price and \$7.00 from a year earlier. The mid-September sow price of \$50.00 per cwt would be the highest since June 1990.

Sheep and lamb prices for August were mixed with sheep up in price while lambs were down. The **sheep** price for August was \$34.00 per cwt, up \$4.00 from July while up \$4.00 from August 2007. The August **lamb** price was \$100.00 per cwt., down \$5.00 from July while up \$8.00 from August 2007.

The price of milk declined again during early September. The mid-September price of **all milk** was \$20.00 per cwt. This was down \$1.00 from the August price and \$3.90 from September 2007. This would be the lowest milk price in four months. The final price will vary from the projected mid-month milk price due to price changes announced by Milk Marketing Orders, actual milk fat content and quantity sold by milk classes (fluid and various manufactured products).

Grain prices were lower. The mid-September **corn** price was \$5.20 per bushel, down 38 cents from August while up \$1.87 from September 2007. This was the lowest corn price in five months. The mid-month **winter wheat** price was \$5.50 per bushel. This was down 62 cents from the previous month and \$1.53 from September a year earlier. The mid-month price was the lowest in four months. The mid-September **soybean** price was \$11.50 per bushel. There was no August price for soybeans published due to confidentially rules. The September 2007 soybean price was \$8.51 per bushel.

The preliminary **U.S.** All Farm Products Index of Prices Received by Farmers in September, at 154 percent, based on 1990-92=100, decreased 2 points (1.3 percent) from August. The Crop Index is down 3 points (1.7 percent) and the Livestock Index decreased 3 points (2.2 percent). Producers received lower prices for wheat, hogs, soybeans, and broilers and higher prices for lettuce, turkeys, eggs, and cottonseed. In addition to prices, the overall index is also affected by the seasonal change based on a 3-year average mix of commodities producers sell. Increased monthly marketings of soybeans, corn, apples, and potatoes offset decreased marketings of cattle, wheat, broilers, and grapes. The preliminary All Farm Products Index is up 14 points (10 percent) from September 2007. The Food Commodities Index, at 152, decreased 1 point (0.7 percent) from last month but increased 9 points (6.3 percent) from September 2007.

AVERAGE PRICES RECEIVED BY FARMERS - (Dollars)

COMMODITY	UNIT	KENTUCKY		US	
		SEPT 2007	AUG 2008	SEPT 2008	SEPT 2008
		Entire Month		Mid-Month a/	
All Corn b/ c/	Bu.	3.33	5.58	5.20	5.17
Soybeans b/	Bu.	8.51	C	11.50	11.70
Winter Wheat b/	Bu.	7.03	6.12	5.50	6.63
Alfalfa Hay, baled	Ton	145.00	175.00	175.00	176.00
All Other Hay, baled	Ton	85.00	95.00	95.00	122.00
All Hogs	Cwt.	43.00	60.20	51.00	53.70
Barrows & Gilts	Cwt.	43.00	61.00	51.00	53.90
Sows	Cwt.	43.00	40.00	50.00	50.40
All Beef Cattle d/	Cwt.	88.60	88.40	85.20	94.90
Steers & Heifers e/	Cwt.	102.00	99.00	95.00	99.50
Cows	Cwt.	46.00	55.00	54.00	56.00
Calves f/	Cwt.	112.00	103.00	100.00	116.00
Sheep	Cwt.	33.00	34.00	--	--
Lambs	Cwt.	93.00	100.00	--	--
Milk Wholesale					
All	Cwt.	23.90	21.00	20.00	18.00
Hog-Corn Ratios g/	Bu.	12.9	10.8	9.8	10.4

a/ Preliminary. b/ Includes contract sales paid during month. c/ Includes yellow and white corn. d/ "Steers and heifers" and "cows" combined. e/ 500 lbs. and over. f/ Under 500 lbs. g/ Number of bushels of corn equal in value to 100 lbs. of hog live weight. C - Confidential.

SEPTEMBER 1 HOG & PIG INVENTORY

U.S. inventory of all hogs and pigs on September 1, 2008, was 68.7 million head. This was up 2 percent from September 1, 2007 and up 1 percent from June 1, 2008. Breeding inventory, at 6.05 million head, was down 3 percent from last year and down 1 percent from the previous quarter. Market hog inventory, at 62.6 million head, was up 3 percent from last year and up 2 percent from last quarter.

The June-August 2008 U.S. pig crop, at 29.3 million head, was up 1 percent from 2007 and up 10 percent from 2006. Sows farrowing during this period totaled 3.08 million head, down 2 percent from 2007 but up 6 percent from 2006. The sows farrowed during this quarter represented 51 percent of the breeding herd. The average pigs saved per litter was 9.51 for the June-August 2008 period,

compared to 9.29 last year. Pigs saved per litter by size of operation ranged from 7.80 for operations with 1-99 hogs to 9.60 for operations with more than 5,000 hogs and pigs.

U.S. hog producers intend to have 3.01 million sows farrow during the September-November 2008 quarter, down 5 percent from the actual farrowings during the same period in 2007, but up 2 percent from 2006. Intended farrowings for December 2008-February 2009, at 2.98 million sows, are down 3 percent from 2008 but up 3 percent from 2007. The total number of hogs under contract, owned by operations with over 5,000 head, but raised by contractees, accounted for 43 percent of the total U.S. hog inventory, up from 40 percent last year.

HOGS AND PIGS: INVENTORY NUMBERS BY CLASS & WEIGHT GROUPS SEPTEMBER 1, 2007 – 2008, SELECTED STATES AND U.S.

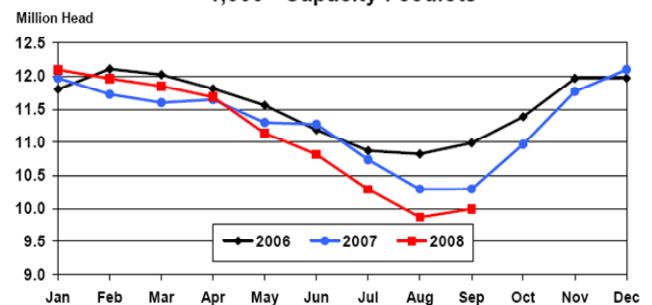
State	TOTAL		BREEDING		MARKET		MARKET HOGS							
	2008	2008	2008	2008	2008	2008	Under 60 lbs.		60-119 lbs		120-179 lbs		180 lbs +	
	1,000	% of	1,000	% of	1,000	% of	2007	2008	2007	2008	2007	2008	2007	2008
	Head	2007	Head	2007	Head	2007	(1,000 Head)							
AR	315	109	95	112	220	107	150	170	20	20	15	15	20	15
CO	750	87	145	91	605	86	365	310	120	100	75	75	140	120
IL	4,400	105	450	100	3,950	105	1,400	1,410	930	1,020	800	860	620	660
IN	3,700	106	300	97	3,400	107	1,120	1,190	830	900	640	670	600	640
IA	19,800	105	1,070	100	18,730	105	5,790	5,550	4,910	5,140	4,030	4,550	3,100	3,490
KS	1,830	93	170	94	1,660	93	550	560	380	310	375	295	485	495
MI	1,060	97	100	100	960	97	335	360	235	235	235	190	185	175
MN	7,700	105	570	93	7,130	107	2,680	2,790	1,710	1,830	1,300	1,490	1,000	1,020
MO	3,200	102	365	95	2,835	103	1,300	1,360	545	565	530	535	390	375
NE	3,350	100	355	97	2,995	100	1,150	1,080	810	800	590	660	435	455
NC	10,300	99	1,000	97	9,300	99	3,700	3,700	2,310	2,050	1,810	1,860	1,550	1,690
OH	1,940	110	170	100	1,770	111	635	655	385	455	355	410	225	250
OK	2,460	100	400	100	2,060	100	950	980	340	320	250	240	510	520
PA	1,140	96	85	85	1,055	97	350	320	310	305	240	230	190	200
SD	1,440	104	150	7	1,290	105	425	470	290	300	270	275	240	245
TX	1,140	102	110	110	1,030	101	355	330	215	250	220	215	230	235
WI	390	93	45	90	345	93	150	135	105	90	60	55	55	65
Other 1/	3,742	95	469	96	3,272	95	1,245	1,203	817	738	736	670	652	662
U.S.	68,657	102	6,049	97	62,607	103	22,650	22,573	15,262	15,428	12,531	13,295	10,627	11,312

1/ Individual State estimates not available for the 33 other states. Kentucky included in other States.

CATTLE ON FEED

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 10.0 million head on September 1, 2008. The inventory was 3 percent below September 1, 2007 and 9 percent below September 1, 2006. **Placements** in feedlots during August totaled 2.06 million, 3 percent below 2007 and 10 percent below 2006. Net placements were 2.01 million. This is the second lowest placements for the month of August since the series began in 1996. During August, placements of cattle and calves weighing less than 600 pounds were 365,000, 600-699 pounds were 410,000, 700-799 pounds were 566,000, and 800 pounds and greater were 720,000. **Marketings** of fed cattle during August totaled 1.88 million, 9 percent below 2007 and 9 percent below 2006. This is the lowest fed cattle marketings for the month of August since the series began in 1996. **Other disappearance** totaled 49,000 during August, 2 percent below 2007 and 17 percent below 2006.

United States Cattle on Feed
1,000+ Capacity Feedlots



MILK PRODUCTION

Kentucky milk production for August 2008 totaled 88 million pounds, down 3 percent from August 2007, and down 5 percent from July 2008. Average number of cows, at 88,000 head, was unchanged from the previous year but 2,000 below last month. Milk per cow, at 1,000 pounds during August, was down 35 pounds from a year ago, and down 30 pounds from last month.

Milk production in the **23 major States** during August totaled 14.5 billion pounds, up 1.5 percent from August 2007.

July revised production, at 14.8 billion pounds, was up 1.8 percent from July 2007. The July revision represented an increase of 12 million pounds or 0.1 percent from last month's preliminary production estimate. **Production per cow** in the 23 major States averaged 1,717 pounds for August, 2 pounds below August 2007. **The number of milk cows** on farms in the 23 major States was 8.47 million head, 137,000 head more than August 2007, but 3,000 head less than July 2008.

RED MEAT PRODUCTION

Commercial red meat production

for the U.S. totaled 4.10 billion pounds in August, down 5 percent from the 4.33 billion pounds produced in August 2007. August 2007 contained 23 weekdays and 4 Saturdays. August 2008 contained 21 weekdays and 5 Saturdays.

Beef production, at 2.27 billion pounds, was 7 percent below the previous year. Cattle slaughter totaled 2.91 million head, down 7 percent from August 2007. The average live weight was up 5 pounds from the previous year, at 1,284 pounds.

Pork production totaled 1.80 billion pounds, down 2 percent from the previous year. Hog kill totaled 9.27 million head, down 1 percent from August 2007. The average live weight was down 2 pounds from the previous year, at 261 pounds.

COMMERCIAL RED MEAT PRODUCTION ^{1/}

Type	Aug 2007	Jul 2008	Aug 2008	Aug. 08 % of	
				Aug 2007	Jul 2008
Million Pounds			Percent		
Beef	2,450.6	2,372.7	2,268.5	93	96
Veal	10.3	12.3	11.2	109	91
Pork	1,850.0	1,852.9	1,804.4	98	97
Lamb & Mutton	14.8	13.7	13.3	90	97
Total U.S.	4,325.7	4,251.6	4,097.4	95	96
Total Kentucky	45.6	45.6	44.5	98	98

^{1/} Based on packers' dressed weights and excludes farm slaughter.

COMMERCIAL SLAUGHTER, AUGUST 2007 & 2008 ^{1/}

Type	Number Slaughtered		Total Live Weight		Average Live Weight	
	2007	2008	2007	2008	2007	2008
	1,000 head		1,000 lbs.		Pounds	
Kentucky						
Cattle	1.1	1.1	1,086	1,038	957	952
Hogs	227.9		59,554		262	
Sheep & Lambs	1.0	1.1	133	143	128	126
United States						
Cattle	3,132.1	2,910.9	3,993,828	3,726,689	1,279	1,284
Hogs	9,394.5	9,267.6	2,470,996	2,415,430	263	261
Sheep & Lambs	228.1	200.7	29,314	26,507	129	132

^{1/} Includes slaughter under Federal inspection and other Commercial slaughter, excludes farm slaughter.

COLD STORAGE HIGHLIGHTS

Frozen food stocks in refrigerated warehouses on August 31, 2008 were greater than year earlier levels for turkey, chicken, cheese, and pork.

ALL U.S. WAREHOUSE STOCKS

Commodity	Aug 31	Jul 31	Aug 31	Aug 08 as % of	
	2007	2008	2008	Aug '07	Jul '08
Frozen Poultry		1,000 lbs		Percent	
Chicken	652,403	738,872	754,756	116	102
Turkey	524,386	620,692	626,103	119	101
Ducks	8,095	2,485	1,992	25	80
Total Frozen Poultry	1,184,884	1,362,049	1,382,851	117	102
Meat					
Total Frozen Beef	480,944	423,913	433,971	90	102
Frozen Pork					
Bellies	21,410	57,964	31,822	149	55
Total Frozen Pork ^{1/}	458,252	491,395	482,763	105	98
Total Meat ^{2/}	958,733	939,752	943,664	98	100

^{1/} Includes picnics, hams, bellies, loins, ribs, trimmings, and other frozen pork. ^{2/} Includes frozen beef, pork, veal, lamb and mutton, other frozen meat, canned hams, and other canned meat.

SMALL GRAINS

Kentucky farmers harvested 32.7 million bushels of **winter wheat** in the summer of 2008. This was up 167 percent from the freeze reduced crop of 2007 and the largest wheat crop on record. The previous high was 28.6 million bushels produced in 1981. The large 2008 crop resulted from an increased harvested acreage and very good yield per acre. Moisture and temperatures this spring were favorable for good crop development and grain fill. Insect and disease problems were light. Weather conditions during harvesting were favorable. Farmers harvested 460,000 acres for grain. This was up 210,000 acres from the 2007 freeze damaged crop. Yield was estimated at 71 bushels per acre, up 22 bushels from the 2007 crop and equal to the record high yield of 2006. Farmers seeded 580,000 acres in the fall of 2007, up 140,000 acres from the previous year. The 120,000 acres not harvested for grain were plowed down for a cover crop prior to setting tobacco, cut as grain hay, chopped as grain silage or abandoned. Production of **all wheat** for the **U.S.** totaled 2.50 billion bushels in 2008, up 2 percent from the August forecast and up 21 percent from 2007. Grain area was

55.7 million acres, up 9 percent from last year. The yield was 44.9 bushels per acre, up 1.4 bushel from the last forecast and up 4.4 bushels from last year.

Kentucky barley production totaled 616,000 bushels, an increase of 511,000 bushels from the freeze reduced 2007 crop. The increase was due to a larger harvested acreage and increased yield per acre. Yield was estimated at 88 bushels, up 53 bushels from the 2007 crop and equal to the record high of 2006. Acreage for grain at 7,000 acres was up 4,000 from the previous year. Acreage seeded totaled 8,000 acres. This enabled farmers to use 1,000 acres for other purposes. **U.S. barley** production was estimated at 239 million bushels, 10 percent above the August forecast and 13 percent above 2007. Average yield per acre, at 63.6 bushels, was up 3.7 bushels from August and 3.2 bushels from last year. The area harvested for grain was estimated at 3.77 million acres, up 7 percent from a year ago.

SEPTEMBER 1 GRAIN STOCKS

Kentucky corn stocks totaled 7.43 million bushels of old crop corn on September 1, 2008. New crop corn from the 2008 crop was excluded from the stocks estimate. Total stocks were down 8 percent from the September 1, 2007 stocks of 8.06 million bushels. Corn stored on farms totaled 4.20 million bushels, up 600,000 bushels from the previous year and the largest on farm stocks in three years. Corn stored in off-farm facilities totaled 3.23 million bushels, down 28 percent from September 2007 and the smallest September off-farm stocks in nine years. Off-farms stocks include grain stored at mills, elevators, warehouses, terminals and processors. Off-farm **wheat** stocks totaled 13.4 million bushels, an 84 percent increase from a year earlier. This would be the largest September off-farm wheat stocks on record. **Soybean, barley, oats and grain sorghum** stocks in off-farm facilities were not published to avoid disclosure of individual operations.

U.S. corn stocks in all positions on September 1, 2008 totaled 1.62 billion bushels, up 25 percent from September 1, 2007. Of

the total stocks, 500.0 million bushels were stored on farms, up 9 percent from a year earlier. Off-farm stocks, at 1.12 billion bushels, were up 33 percent from a year ago. The June-August 2008 indicated disappearance was 2.40 billion bushels, compared with 2.23 billion bushels during the same period last year. Old crop **soybeans** stored in all positions on September 1, 2008 totaled 205.0 million bushels, down 64 percent from September 1, 2007. Soybean stocks stored on farms totaled 47.0 million bushels, down 67 percent from a year ago. Off-farm stocks, at 158.0 million bushels, were down 63 percent from last September. Indicated disappearance for June-August 2008 totaled 471 million bushels, down 9 percent from the same period a year earlier. **All wheat** stored in all positions on September 1, 2008 totaled 1.86 billion bushels, up 8 percent from a year ago. On-farm stocks were estimated at 635.0 million bushels, up 28 percent from last September. Off-farm stocks, at 1.22 billion bushels, were down slightly from a year ago. The June-August 2008 indicated disappearance was 949 million bushels, up 18 percent from the same period a year earlier.

KENTUCKY AND UNITED STATES STOCKS OF GRAIN SEPTEMBER 1, 2008 WITH COMPARISONS

CROP	POSITION	KENTUCKY			UNITED STATES		
		Sept. 1, 2007	June 1, 2008	Sept. 1, 2008	Sept. 1, 2007	June 1, 2008	Sept. 1, 2008
(Thousand Bushels)							
Corn	On-Farm	3,600	10,500	4,200	460,100	1,970,900	499,950
(Old Crop)	Off-Farm <u>1/</u>	4,455	17,284	3,228	843,547	2,057,117	1,124,200
	Total	8,055	27,784	7,428	1,303,647	4,028,017	1,624,150
Sorghum	On-Farm	<u>2/</u>	<u>2/</u>	<u>2/</u>	2,150	7,000	3,550
(Old Crop)	Off-Farm <u>1/</u>	<u>4/</u>	<u>4/</u>	<u>4/</u>	29,903	94,019 <u>5/</u>	49,200
	Total	<u>2/</u>	<u>2/</u>	<u>2/</u>	32,053	101,019 <u>5/</u>	52,750
Oats	On-Farm	<u>3/</u>	<u>3/</u>	<u>3/</u>	53,650	16,100	52,800
	Off-Farm <u>1/</u>	170	<u>4/</u>	<u>4/</u>	34,710	50,674 <u>5/</u>	66,275
	Total	170	<u>4/</u>	<u>4/</u>	88,360	66,774 <u>5/</u>	119,075
Barley	On-Farm	<u>2/</u>	<u>2/</u>	<u>2/</u>	105,600	9,950	127,070
	Off-Farm <u>1/</u>	<u>4/</u>	<u>4/</u>	<u>4/</u>	83,095	58,273 <u>5/</u>	80,369
	Total	<u>2/</u>	<u>2/</u>	<u>2/</u>	188,695	68,223 <u>5/</u>	207,439
All Wheat	On-Farm	<u>2/</u>	<u>2/</u>	<u>2/</u>	495,000	25,635	635,000
	Off-Farm <u>1/</u>	7,295	<u>4/</u>	13,424	1,221,927	280,183 <u>5/</u>	1,221,576
	Total	<u>2/</u>	<u>2/</u>	<u>2/</u>	1,716,927	305,818 <u>5/</u>	1,856,576
Soybeans	On-Farm	<u>2/</u>	<u>2/</u>	<u>2/</u>	143,000	226,600	47,000
(Old Crop)	Off-Farm <u>1/</u>	1,321	<u>4/</u>	<u>4/</u>	430,810	449,543 <u>5/</u>	158,034
	Total	<u>2/</u>	<u>2/</u>	<u>2/</u>	573,810	676,143 <u>5/</u>	205,034

1/Includes stocks at mills, elevators, warehouses, terminals and processors. 2/Kentucky is a minor State, not published separately. 3/On-farm stocks estimates not made. 4/Not published to avoid disclosure of individual operations. 5/Revised.

Internet Access: Data including this report are available free of charge on our Internet homepage located at <http://www.nass.usda.gov/ky>. Links to the Kentucky Department of Agriculture, the University of Kentucky Agricultural Weather Center and other web sites related to Kentucky Agriculture are also included. National & State reports and data are available on the USDA, National Agricultural Statistics Service homepage located at <http://www.usda.gov/nass/>